

Level 3 Cambridge Technical in Business

05834/05835/05836/05837/05878

Unit 3: Business decisions

Friday 12 January 2018 – Morning

Time allowed: 1 hour 30 minutes

You must have:

- a clean copy of the pre-release (insert C424)

You may use:

- a calculator

First Name						Last Name				
Centre Number						Candidate Number				
Date of Birth	D	D	M	M	Y	Y	Y	Y		

- INSTRUCTIONS**
- Use black ink.
 - Complete the boxes above with your name, centre number, candidate number and date of birth.
 - Answer **all** the questions.
 - Write your answer to each question in the space provided.
 - If additional answer space is required, you should use the lined page(s) at the end of this booklet. The question number(s) must be clearly shown.

- INFORMATION**
- The total mark for this paper is **60**.
 - The marks for each question are shown in brackets [].
 - This document consists of **12** pages.

FOR EXAMINER USE ONLY	
Question No	Mark
1	/8
2	/6
3	/6
4	/6
5	/12
6	/6
7	/16
Total	/60

Answer **all** the questions.

1 (a) *Gateway Revision Ltd* makes many business decisions. Business decisions can be classified into three categories:

- strategic
- tactical
- operational.

Complete the table below by naming the type of business decision being made in each of the following examples. To help you, the first example has been completed for you.

Example	Type of business decision
Decision to allow writers to work from home	<i>Operational</i>
Decision to expand the product range in order to enter a new market	
Decision to replace warehouse staff with new technology	
Decision to reduce prices to 10% below those of a competitor	
Decision to replace an existing supplier with one that is cheaper	

[4]

(b) Explain, using a relevant example, how each of the following could impact on *Gateway Revision Ltd's* decision-making.

(i) Opportunity cost

.....

.....

.....

.....

.....

.....

.....

[2]

(ii) The core competencies of *Gateway Revision Ltd*

.....

.....

.....

.....

.....

.....

.....

[2]

3 Jason believes that if either **Option 2 – Extend the product range** or **Option 3 – Expand into overseas markets** are chosen, new writers will need to be hired.

(a) Explain **two** ways a skills audit could help *Gateway Revision Ltd* with its workforce planning.

1.....
.....
.....
.....

2.....
.....
.....
.....

[4]

(b) Explain how on-the-job training could be used to support a new employee at *Gateway Revision Ltd*.

.....
.....
.....
.....

[2]

4 The table below shows sales data for 2017.

	Number of GCSE revision guides sold	Three-month moving average
January	2563	
February	2680	
March	2972	2738.33
April	3659	3103.67
May	4208	3613.00
June	2596	3487.67
July	1580	2794.67
August	1284	
September	2370	1744.67
October	2689	2114.33
November	2460	2506.33
December	2235	2461.33

(a) Calculate the three-month moving average for August 2017.

Show your workings

Three-month moving average for August 2017 = guides

[2]

(b) Explain why it is not possible to calculate February 2017's three-month moving average.

.....

 [2]

(c) Explain **one** benefit to *Gateway Revision Ltd* of using moving averages.

.....
.....
.....
.....
.....
..... [2]

5 If *Gateway Revision Ltd* decides to go ahead with **Option 3 – Expand into overseas markets**, Sonia will need to decide what types of books to produce for each overseas market it begins to operate in.

Analyse the advantages and disadvantages to Sonia of using:

- qualitative information
- quantitative information

when deciding what type of books to produce for the South African market. Which type of information will be of greatest benefit to Sonia? Justify your answer.

[12]

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

Dotted lines for writing.

6 (a) Explain how a stock control chart could be used to manage inventory at *Gateway Revision Ltd.*

.....
.....
.....
.....
.....
.....
.....
.....

[3]

(b) Explain how the use of radio-frequency identification (RFID) could help with inventory management at *Gateway Revision Ltd.*

.....
.....
.....
.....
.....
.....
.....
.....

[3]

7 Recommend which of the three options would best secure the long-term future of *Gateway Revision Ltd.* Justify your view.

[16]

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

A series of 22 horizontal dotted lines for writing.

.....

.....

.....

.....

.....

.....

END OF QUESTION PAPER

ADDITIONAL ANSWER SPACE

If additional answer space is required, you should use the following lined page(s).
The question number(s) must be clearly shown in the margin(s) – for example 2(b) or 6(a).

A large rectangular area with a solid vertical line on the left side and horizontal dotted lines across the page, providing space for writing answers.

OCR

Oxford Cambridge and RSA

Copyright Information:

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download from our public website (www.ocr.org.uk) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact the Copyright Team, First Floor, 9 Hills Road, Cambridge CB2 1GE.

OCR is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.